

**Fixed Asset Grants Policy**

Policy Area: <b>Accounting &amp; Financial Reporting</b>	Effective Date: <b>7/1/1995</b>
Policy Sub Area: <b>Capital Assets</b>	Last Revision Date: <b>1/22/2007</b>
Authority: <b>GASB Codification Section 1400; OMB Circular A-102</b>	Policy Owner/Division: <b>Statewide Accounting</b>
<b><u>Policy</u></b>  When the State does not hold title to property acquired with federal funds, the property should not be capitalized. (Possession does not equal ownership). The property can be inventoried for tracking purposes. However, all inventoried assets acquired with federal funds must be flagged to ensure that federally funded assets will not be sold or transferred without following federal property disposition guidelines. When federally-funded assets are no longer needed for the grant program, the state must dispose of the assets according to the property disposition guidelines.	
<b><u>Procedures</u></b> NA	
<b><u>Accounting Guidance</u></b>  Capital assets acquired with federal financial assistance are subject to property management standards set by the federal government. These standards are found in the Common Grants Management Rule (Common Rule) of revised OMB Circular A-102 (1997). Additional property management standards may be included in the grant agreement.	
<b><u>Related Documents (Memos/Forms)</u></b> NA	
<b>Revision History</b>	
<b>Date</b>	<b>Description</b>
01/22/2007	To update references.
